

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

BIO ENERGY VENTURE – 2 (MAURITIUS) PVT. LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1.

CONTENTS	PAGES
COMPANY INFORMATION	2
COMMENTARY OF DIRECTORS	3
CERTIFICATE FROM THE SECRETARY	4
AUDIT REPORT	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 20

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
COMPANY INFORMATION

2.

		<i>Date of appointment</i>
DIRECTORS:	Dev Joory	31 October 2008
	Rubina Toorawa	31 October 2008
	Prashant Kumar Ghose	31 October 2008
	Ramakrishnan Mukundan	17 February 2009
REGISTERED OFFICE:	IFS Court, TwentyEight Cybercity Ebene Mauritius	
SECRETARY:	International Financial Services Limited IFS Court, TwentyEight Cybercity Ebene Mauritius	
BANKERS:	Standard Chartered Bank (Mauritius) Limited Ebene house 2nd Floor, Left Wing 33, Cybercity Ebene	
AUDITORS:	Kemp Chatteris Deloitte Cerne House Port Louis Mauritius	

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010

3.

RESULTS

The results for the period are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and the cash flow of the Company. The directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Companies Act 2001.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

AUDITORS

The auditors, **KEMP CHATTERIS DELOITTE**, have indicated their willingness to continue in office.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required for the **Bio Energy Venture - 2 (Mauritius) Pvt. Ltd** under the Companies Act 2001 during the financial period ended 31 March 2010.



.....
for International Financial Services Limited
Secretary

Registered office:

IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

Date: 18 May 2010

**Independent auditor's report to the shareholders of
Bio Energy Venture-2 (Mauritius) Pvt. Ltd**

5.

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Bio Energy Venture-2 (Mauritius) Pvt. Ltd on pages 6 to 20 which comprise the statement of financial position as at 31 March 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence Companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Non-compliance with International Accounting Standards (IAS) 27 (Revised), Consolidated and Separate Financial Statements

IAS 27 (Revised) requires the Company to present Group financial statements in which it consolidates its investment in subsidiary in order to present information about the Group as that of a single economic entity. As explained in note 13, Group financial statements have not been prepared in accordance with the requirements of IAS 27 (Revised).

Opinion

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements on pages 6 to 20 do not give a true and fair view of the financial position of the Company as at 31 March 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company other than in our capacities as auditors and tax advisors;
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records;
- we have not obtained all information and explanations that we have required in so far as explained in the paragraph on non-compliance with IFRS; and
- except for the non-compliance with the IAS 27 (Revised), the financial statements of the Company comply with the Mauritius Companies Act 2001.

Deloitte

Chartered Accountants

18 May 2010



**Twaleb Butonkee, FCA
Signing Partner**

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

6.

	Note	March 2010 USD	From 31 October 2008 to 31 March 2009 USD
OPERATING EXPENSES			
Licence fees		1,500	750
Registrar of Companies fees		250	63
Director fees		2,500	1,875
Secretarial fees		1,500	1,125
Administration expenses		8,570	3,000
Bank charges		535	150
Audit fees		9,233	2,700
Preliminary expenses		-	4,600
Total expenditure		24,088	14,263
LOSS BEFORE TAX		(24,088)	(14,263)
Taxation	9	-	-
LOSS FOR THE YEAR/PERIOD		(24,088)	(14,263)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(24,088)	(14,263)

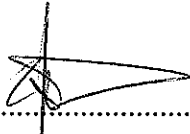
The notes on pages 10 to 20 form an integral part of these financial statements.

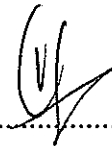
BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

7.

	Notes	31 March 2010 USD	31 March 2009 USD
ASSETS			
<u>Non current assets</u>			
Investments in subsidiaries	5	<u>10,511,378</u>	<u>10,094,325</u>
<u>Current assets</u>			
Prepayments	6	2,063	1,563
Cash at bank		<u>9,084</u>	<u>32,050</u>
		<u>11,147</u>	<u>33,613</u>
Total assets		<u>10,522,525</u>	<u>10,127,938</u>
EQUITY AND LIABILITIES			
<u>Capital and reserves</u>			
Stated capital	7	10,511,000	10,137,000
Accumulated losses		(38,351)	(14,263)
Share application monies		40,000	-
		<u>10,512,649</u>	<u>10,122,737</u>
<u>Current liabilities</u>			
Payables	8	<u>9,876</u>	<u>5,201</u>
Total equity and liabilities		<u>10,522,525</u>	<u>10,127,938</u>

Approved by the Board of Directors and authorised for issue on 18 May 2010.

.....

Director

.....

Director

The notes on pages 10 to 20 form an integral part of these financial statements.

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

8.

	Stated capital	Share application monies	Accumulated losses	Total
	USD	USD	USD	USD
Issue during the period	10,137,000	-	-	10,137,000
Total comprehensive loss for the year	-		(14,263)	(14,263)
At 31 March 2009	10,137,000	-	(14,263)	10,122,737
Issue during the period	374,000		-	374,000
Funds received from shareholder		40,000		40,000
Total comprehensive loss for the year	-		(24,088)	(24,088)
At 31 March 2010	10,511,000	40,000	(38,351)	10,512,649

The notes on pages 10 to 20 form an integral part of these management accounts.

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

9.

	For the year ended 31 March 2010	From 31 October 2008 to 31 March 2009
	USD	USD
Cash flows from operating activities		
Loss before tax	(24,088)	(14,263)
<i>Adjustments for:</i>		
Increase in prepayments	(500)	(1,563)
Increase in payables	4,675	5,201
Net cash used in operating activities	(19,913)	(10,625)
Cash flows from investing activities		
Purchase of investment	(417,053)	(10,094,325)
Net cash used in investing activities	(417,053)	(10,094,325)
Cash flows from financing activities		
Proceeds from issue of shares	374,000	10,137,000
Proceeds from share application monies	40,000	
Net cash generated from financing activities	414,000	10,137,000
Net decrease in cash and cash equivalents	(22,966)	32,050
Cash and cash equivalents at the beginning of the year/ period	32,050	-
Cash and cash equivalents at end of the year/period	9,084	32,050

The notes on pages 10 to 20 form an integral part of these financial statements.

1. BACKGROUND INFORMATION

The Company was incorporated in Mauritius under the Companies Act 2001 on 31 October 2008 as a private company with limited liability by shares and has its registered office at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is that of investment holding.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). Except for non-compliance with IAS 27, the financial statements represent the separate financial statements of the Company as defined under International Accounting Standard 27 – Consolidated and Separate Financial Statements. The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

(a) Basis of preparation

The financial statements are prepared under the historical cost convention.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at statement of financial position date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of comprehensive income.

(c) Cash and cash equivalents

Cash comprises of currency and current deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

2. ACCOUNTING POLICIES (CONTINUED)

(d) Other receivables

Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(e) Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the company has become a party to the contractual provisions of the instruments.

(f) Other payables

Other payables are stated at their nominal value.

(g) Expense recognition

All expenses are accounted for in the statement of comprehensive income on the accruals basis.

(h) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

2. ACCOUNTING POLICIES (CONTINUED)

(j) Investment in subsidiary

Subsidiaries are those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are presently exercisable are considered when assessing whether the Company controls another entity.

Assets are reviewed for impairment wherever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. In case that the carrying value of an asset exceeds its recoverable amount the Company recognises the impairment losses in the Statement of comprehensive income.

The Company does not prepare consolidated financial statements and in accordance with International Accounting Standard (IAS) 27 has elected to report its investments at cost.

(k) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(l) Impairment of assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the company have adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2009.

Standards affecting presentation and disclosure-

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the presentation and disclosures in these financial statements.-

IAS 1 Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income

IAS 1(2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about fair value and liquidity risk

The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

Standards and Interpretations adopted with no effect on the financial statements-

The following relevant new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IAS 1 Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation-

IAS 1 Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 32 Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation

IAS 36 Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs-

IAS 39 Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 39 Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

Standards and Interpretations in issue but not yet adopted-

At the date of authorisation of these financial statements, the following standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated.

- IAS 1 Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IAS 7 Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IAS 17 Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IAS 24 Related Party Disclosures - Amendment to definition of related parties (effective 1 January 2011)
- IAS 27 Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
- IAS 28 Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
- IAS 31 Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
- IAS 32 Financial Instruments: Presentation - Amendments relating to classification of rights issues (effective 1 February 2010)
- IAS 36 Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IAS 38 Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1 July 2009)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments relating to oil and gas assets and determining whether an arrangement contains a lease (effective 1 January 2010)
- IFRS 1 First-time Adoption of International Financial Reporting Standards-Limited exemption from comparative IFRS 7 Disclosures for first-time adoption (1 July 2010)
- IFRS 1 First-time Adoption of International Financial Reporting Standards-Revised and restructured (1 July 2010)
- IFRS 2 Share-based Payment - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)
- IFRS 2 Share-based Payment - Amendments relating to group settled share-based payment transactions (effective 1 January 2010)
- IFRS 3 Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 July 2009)
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

- IFRS 8 Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
- IFRS 9 Financial Instruments - Classification and Measurement (effective 1 January 2013)
- IFRIC 14 IAS 19 – Amendment with respect to voluntary prepaid contributions (effective 1 January 2011)
- IFRIC 17 Distributions of Non-Cash Assets to Owners (effective 1 July 2009)
- IFRIC 18 Transfers of Assets from Customers (Transfers received on or after 1 July 2009)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)

The directors anticipate that the adoption of these Standards and Interpretations at the above effective dates in future periods will have no material impact on the financial statements of the company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the management accounts.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

Impairment of assets

In determining when an investment is other-than-temporarily impaired, significant judgment is required. In making this judgment, the Company evaluates among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and such operational and financing cash flow. The directors are of the opinion that the carrying amount of the investment approximates its fair value and no impairment loss need to be recognized in the financial statements.

Unquoted investment in subsidiary

Determining whether investment in subsidiary is impaired requires an estimation of the value in use of the investments. In considering the value in use, the Directors have taken into consideration the management accounts and cash flow projections. The actual results could however, differ from the estimates.

BIO ENERGY VENTURE - 2 (MAURITIUS) PVT. LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010

16.

5. INVESTMENTS IN SUBSIDIARIES

Unquoted at cost

	Number of shares	Percentage Holding (%)	Country of incorporation	2010 USD	2009 USD
TATA CHEMICALS ASIA PACIFIC PTE. LTD	15,000,000	100	Singapore	10,034,599	10,034,597
Share application monies in TATA Chemicals Asia	-	-	Singapore	59,725	59,725
Grown Energy Zambeze Holdings Pvt. Ltd ("GEZ")	1	100	Mauritius	1	1
Share application monies in GEZ	-	-	Mauritius	367,053	-
Share application monies in Grown Energy Zambeze Limitada	-	-	Mozambique	50,000	-
				10,511,378	10,094,325

TATA Chemicals invests in JOil(S) Pte. Ltd, a joint venture with Temasek Lifesciences Ltd. and Wuthelam Holdings Pte. Ltd. JOil(S) Pte. Ltd to develop and market Jatropa planting materials.

The Company holds 1 ordinary shares of Grown Energy Zambeze Holdings Pvt. Ltd, a Category 1 Global Business Company incorporated in Mauritius. Grown Energy invests in Biofuels in Mozambique.

6. PREPAYMENTS

	2010 USD	2009 USD
Prepayments	2,063	1,563

7. STATED CAPITAL

	2010 USD	2009 USD
10,511,000 Ordinary shares of USD1 each (2009: 10,137,000)	10,511,000	10,137,000

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

8. PAYABLES

	2010 USD	2009 USD
Accruals	9,876	5,201

9. TAXATION

The Company is liable to income tax on its chargeable income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual tax suffered or 80% of Mauritian tax payable in respect of its qualifying income, thus reducing its maximum effective tax rate payable to 3%. Capital gains from disposal of the Company's investment are exempt from tax in Mauritius.

For the year ended 31 March 2010, no provision for tax has been made in the financial statements, since there is no chargeable income.

	2010	2009
	USD	USD
Loss before taxation	<u>(24,088)</u>	<u>(14,263)</u>
Tax at the applicable rate of 15%	(3,613)	(2,139)
Tax effect of :		
- Non allowable expenses	-	690
- Deemed tax credits	2,890	
- Tax losses not yet utilised	<u>723</u>	<u>1,449</u>
	<u>-</u>	<u>-</u>

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Significant accounting policies

Details of the significant accounting policies and method adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed in note 2 and 3 to the financial statements.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance.

The capital structure of the company consists of equity attributable to the equity holders of the parent, comprising stated capital and reserves.

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Categories of financial instruments

	2010 USD	2009 USD
Financial assets		
Cash and cash equivalents	<u>9,084</u>	<u>32,050</u>
Financial liabilities		
Payables	<u>9,876</u>	<u>5,201</u>

Associated risks

The Company's investment activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

Currency risk

The Company may enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the USD.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarized as follows:

	2010		2009	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
United States Dollars	<u>9,084</u>	<u>9,876</u>	<u>32,050</u>	<u>5,201</u>

Prepayments amounting to **USD2,063** (2009: USD1,563) have not been included in financial assets.

Liquidity risk

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 year USD	5+ years USD
	Non-interest bearing	<u>9,876</u>
	<u>9,876</u>	<u>-</u>

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash in its bank account.

As of 31 March 2010, its main liabilities related to accruals. Future cash inflows will meet present and future obligations adequately.

Credit risk

Financial assets that potentially expose the Company to credit risk consist principally of investment and cash at bank. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Company does not have exposure to credit risk at 31 March 2010.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing; as a result, the Company is not subject to significant risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

Fair value of financial instruments

The Company's financial assets and liabilities include investment in subsidiary, cash and cash equivalents and payables. The carrying amounts of these assets and liabilities approximate their fair values.

11. RELATED PARTY TRANSACTIONS

During the period ended 31 March 2010, the following transactions were carried out with related parties. The nature, volume of transactions and the balance with the entity are as follows:

Compensation of key management personnel

Two directors of the Company, Mr Dev Joory and Ms Rubina Toorawa are also directors of International Financial Services Limited (“IFS”) and hence deemed to have beneficial interest in the Service Agreement between the Company and IFS.

	2010	2009
	USD	USD
<i>International Financial Services Limited</i>		
Directors’ and secretarial fees	4,000	3,000
Administration expenses	8,570	3,000
Preliminary expenses	-	4,600
	<u>12,570</u>	<u>10,600</u>

12. HOLDING AND ULTIMATE HOLDING COMPANY

Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, a company incorporated in Mauritius, is the holding company. Tata Chemicals Ltd, a company incorporated in India and listed on Bombay National Stock Exchange and National Stock Exchange of India is the ultimate holding company.

13. NON COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (IAS) 27, CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

IAS 27 requires a parent company that holds investments in subsidiaries to present consolidated financial statements. The parent company is exempted from this requirement if it satisfies all the conditions available under paragraph 10 of IAS 27.

Although the Company does not meet the exemptions, consolidated financial statements or financial statements where the equity method is applied, have not been prepared since the directors believe that the benefits of presenting these financial statements are minimal.

14. COMPARATIVES

The current period figures are for a 12 months period from 1 April 2009 to 31 March 2010 while the comparative figures are for a 6 months period from 31 October 2008 (date of incorporation) to 31 March 2009. Consequently, comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flow and related notes are not entirely comparable.